



COMMITTEE of the WHOLE

CITY COUNCIL

MINUTES
February 13, 2012
5:00 P.M.

COUNCIL MEMBERS PRESENT:

M. Goodman-Hinnershitz, D. Sterner, D. Reed, J. Waltman, F. Acosta, R. Corcoran

OTHERS PRESENT:

L. Kelleher, S. Katzenmoyer, C. Younger, C. Geffken, V. Spencer, T. Butler, R. Natale

Mr. Acosta called the Committee of the Whole meeting to order at 5:07 p.m.

I. Property Maintenance Code Amendment

Mr. Natale stated that the City will be adopting the 2012 Uniform Construction Code. He stated that the City has purchased the license to the document so local amendments can be included in one document and be available on-line. He requested Council enact the ordinance at their February 27 meeting.

Ms. Goodman-Hinnershitz stated that there is much information to review and suggested that this may take additional time to move through Committee for final passage. Mr. Natale stated that the sooner it is enacted, the sooner it can be implemented.

Mr. Sterner questioned if there were major changes from the current code. Mr. Natale stated that there are not many changes. He stated that most of the changes were recommended by the ICC and are to clarify information.

Ms. Butler questioned when Council would be taking action on the amendment. Mr. Geffken suggested action be taken at the first meeting in March.

Mr. Sterner questioned if it was necessary to move the amendment forward in February. Mr. Natale stated that there is a lunch and learn scheduled with the MDJs on March 8 where a copy of the amended code could be given to the MDJs and reviewed.

Mr. Acosta questioned when this committee is scheduled to meet. Ms. Kelleher stated that it would meet next week before the next regularly scheduled Council meeting.

Ms. Kelleher questioned if a public hearing or special advertising was required to amend the Code. Ms. Butler stated that she will research the issue and speak with Ms. Kelleher.

II. Re-Organization of Committees

Mr. Acosta distributed a list of his suggested committees and the proposed committee membership. He stated that he has done much research on this topic and has proposed five committees – Open Government, Rules and Intergovernmental Relations Committee; Housing, Economic Development and Strategies Committee; Finance, Audit, and Budget Committee; Public Safety, Public Works, and Neighborhood Services Committee; and Nominations and Appointments Committee. He stated that these committees will fit Mayor Spencer's goals and that he worked with the Mayor to develop them.

Mr. Waltman questioned if Mr. Acosta asked Council members for their committee preferences. Mr. Acosta stated that he did not but that he placed Councilors on committees which fit their experience and knowledge.

Mr. Waltman noted the need for new members of the Finance Committee. He stated that he cannot do another term on this committee and suggested that its time for others to learn the City's finances. He stated that he will support those chosen.

Mr. Waltman stated that the Housing, Economic Development and Strategies Committee is an important one and suggested that Ms. Goodman-Hinnershitz chair this committee. Mr. Acosta stated that past practice has not allowed the Council President or Vice President to chair a committee.

Mr. Waltman stated that the body votes on the final structure. Mr. Acosta suggested that Mr. Waltman come back to the table with other suggestions.

Mr. Waltman stated that the glue of the new committees is the cohesion of working together with the Mayor. He again noted the importance of the Housing, Economic Development and Strategies Committee. Mr. Acosta stated that he chose Mr. Waltman to chair this committee because of his passion for the City's housing issues.

Mr. Waltman stated that chairing this committee is a good opportunity for the leadership of this Council.

Ms. Goodman-Hinnershitz stated that Council is moving from four committees to five and noted the need to have equal responsibility among Council members. She stated that all should have a leadership role and suggested that Mr. Waltman would be an excellent chair for this committee.

Mr. Waltman suggested that a new structure that would allow the Vice President to chair a committee and again noted that this is a critical committee. He noted that he may not be able to take on additional responsibilities at this time.

Ms. Goodman-Hinnershitz suggested that each committee be reviewed. Mr. Acosta reviewed all committees and stated that he plans to be active on all of them.

There was discussion regarding the membership of the committees. Some changes were made. Mr. Waltman agreed to serve on the Housing Economic Development and Strategies Committee.

Ms. Reed suggested that Mr. Corcoran replace her on the Blighted Property Review Committee because of his knowledge of the housing issue.

Mr. Acosta questioned if Ms. Goodman-Hinnershitz was willing to chair the Housing, Economic Development and Strategies Committee. Ms. Goodman-Hinnershitz stated that she is willing as long as the body supports it.

Michael Vind arrived at this time.

Ms. Goodman-Hinnershitz noted the need for Council to remain flexible and share responsibilities. She noted the need to work together.

Mr. Acosta requested that the Committee resolution be prepared and added to this evening's agenda.

Ms. Katzenmoyer questioned the continued use of work sessions. Mr. Acosta noted that they will only be scheduled as needed.

Ms. Goodman-Hinnershitz noted the need to be sure that items are placed on the correct committee agenda. Mr. Acosta stated that he will work with Council staff to be sure that they are. He requested that the Administration consider item placement as well.

III. Reimbursement Resolution

Mr. Vind stated that adopting this resolution will give the City the flexibility to reimburse the sewer fund for work performed on the waste water treatment plant project. He explained that

the City will begin expending funds at a quick rate and this resolution will allow the City to replace those funds with debt funds after they are received to keep cash reserves at a stable level. He stated that this will not alter the process to secure the bonds.

Mr. Sterner stated that the City took a \$50 million bond on this issue and questioned the funds remaining. Mr. Geffken stated that \$7 million remains and there is \$28 million in the sewer fund. Mr. Vind stated that this transaction will allow the City to replenish the sewer fund if money is expended before the bond proceeds are received.

Mr. Geffken stated that the City is entering a large spending period with many projects now moving forward.

Mr. Sterner questioned when the increased rates will take effect. Mr. Vind stated that the rates will be adjusted after the new Inter Municipal Agreements (IMA) are signed. Mr. Geffken projected that it would be in 2013. He stated that meetings have occurred with seven of the eleven municipalities on the IMAs. He stated that the other municipalities have financial concerns. He stated that the City must complete the IMAs quickly to go to market for the bond financing.

Mr. Sterner questioned if the increased rates would be known before the bond is pursued. Mr. Vind stated that he would need to know the rates in order to go to market for the bond.

Mr. Waltman questioned if the IMAs would contain the \$3 million spending cap. Mr. Geffken stated that it does.

Mr. Waltman questioned why this cap would remain in the IMAs. He noted the City's need to be able to access additional funds as needed for capital improvements. He stated that adding this clause to the IMAs makes the consent decree perpetual. Mr. Geffken explained that the IMA clause states that the \$3 million cap is in place until the consent decree is lifted and then increases by the consumer price index (CPI) every year thereafter.

Mr. Waltman stated that the increase should not be tied to the CPI. He stated that the City has already lost millions of dollars in revenue due to this cap.

Ms. Goodman-Hinnershitz noted her understanding of Mr. Waltman's position but stated that reality is that the cap exists. She stated that the City agreed to the cap to avoid large fines from polluting the Schuylkill River.

Mr. Spencer expressed his agreement with Mr. Waltman. He stated that limiting the City's use of the fund to \$3 million in the IMAs goes beyond the consent decree and locks the City into this rate after the decree has been lifted.

Mr. Waltman stated that he did not support the consent decree because of the financial implications to the City.

Mr. Waltman left the meeting at this time.

Mr. Geffken stated that the Reading sewer rate is set at 161% of the water consumed monthly. He stated that this rate is based on reserve capacity and the reserve fund. He stated that the new rate will either be based on water usage or will be a fee based on Equivalent Dwelling Units (EDU) (based on actual costs). He stated that during negotiations, Reading wants to increase the cap and the other municipalities want Reading to access zero funds.

Mr. Sterner stated that he does not support the IMAs tying the City to the \$3 million cap after the consent decree is lifted but past history shows that Reading spent funds and could not account for them.

Mr. Spencer reminded Council that another issue is that other municipalities consumption is not metered correctly and they are reporting usage. He stated that accuracy of these reports can be questioned.

Mr. Spencer questioned when the City would request the assistance of the Department of Justice (DOJ) to negotiate the IMAs. Mr. Geffken stated that the DOJ receives regular updates and a meeting is being scheduled in the near future. He stated that the earliest the City could be out of the consent decree would be 2018 with one year probation after the completion of the waste water treatment plant project.

Mr. Sterner questioned if the collection system upgrades are included in the consent decree. Mr. Geffken stated that these upgrades are ongoing and could become a never-ending cycle and the consent decree would never be lifted. He stated that the City is working with the DOJ to remove the collection system from the consent decree.

Mr. Vind stated that he is also recommending a bond refinancing which would decrease the interest rate on the 2008 general obligation bond and save the City \$250,000 per year. He stated that the ordinance is being introduced this evening. He stated that the cost of the transaction is \$69,000 and is considered when calculating the City's savings. He stated that he will attend next week's Finance, Audit, and Budget Committee to review the details and answer questions. He stated that the interest rate would decrease to 2.15%.

Mr. Sterner questioned if the refinancing would reduce the payment schedule. Mr. Vind stated that he will be restructuring the payment schedule and the debt would be repaid one month sooner.

IV. Agenda Review

There was a discussion regarding the Merchant Parking permit in several blocks of 9th St. Mr. Sterner gave a brief background of the issue and requested the Administration follow up so that this issue can be discussed at next week's Public Safety, Public Works, and Neighborhood Services Committee meeting. He noted that the solution must consider business owners, Sovereign event parking and residents of the neighborhood.

Council reviewed this evening's agenda including the following:

- Contract Award for the Angelica Creek bridge

Mr. Geffken stated that this is not the Route 10 bridge but is part of the waste water treatment plant campus. He stated that the bridge needs to be replaced in order to accommodate the truck traffic for the force main project.

- Ordinance amending the Quality of Life ticketing program

This ordinance will be tabled until the entire program can be examined more closely in committee.

- Ordinance transferring funds from Public Works to Information Technology

Mr. Geffken stated that this transfer covers the cost of the switch of some employee cell phones.

- Ordinance amending the purchasing policy to require contractors to have an apprenticeship program and minority hiring practices for certain City projects

Ms. Goodman-Hinnershitz stated that she supports this concept but questioned the term minority as the 2010 census shows that Reading has a minority majority. She stated that the wording of the amendment may be a detriment to those the City is hoping to assist. Mr. Geffken stated that this is federal language and would not be detrimental.

V. Executive Session

Mr. Acosta announced the need for an executive session and cited Sunshine Act Section 708 (a) (1) "To discuss any matter involving the employment, appointment, termination of employment, terms and conditions of employment, evaluation of performance, promotion or disciplining of any specific prospective public officer or employee or current public officer or employee employed or appointed by the agency or former public officer or employee, provided, however, that the individual employees or appointees whose rights could be adversely affected may request, in writing, that the matter or matters be discussed at an open

meeting. The agency's decision to discuss such matters in executive session shall not serve to adversely affect the due process rights granted by law, including those granted by Title 2 of the Pennsylvania Consolidated Statutes (related to administrative law and procedure). The provisions of this paragraph shall not apply to any meeting involving the appointment or selection of any person to fill a vacancy in any elected office."

Council entered executive session at 6:32 pm. Mr. Waltman rejoined the meeting during the executive session. Council exited executive session at 6:50 pm.

Mr. Jones arrived at this time.

The meeting adjourned at 6:55 pm.

Respectfully Submitted
Linda A. Kelleher, CMC, City Clerk